

**SESSION LAW 2004-161  
SENATE BILL 1152**

AN ACT CONCERNING STUDIES AND OTHER PURPOSES.

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PART XVIII. STUDY FINANCING OF MENTAL HEALTH,  
DEVELOPMENTAL DISABILITIES, AND SUBSTANCE ABUSE  
SERVICES**

**SECTION 18.1.** The Department of Health and Human Services shall **study the financing of mental health, developmental disabilities, and substance abuse services.** The study shall include the following:

- (1) An examination of **all sources of funds** used in the delivery of mental health, developmental disabilities, and substance abuse services throughout the Department.
- (2) An **examination of alternative financing mechanisms** for funding mental health, developmental disabilities, and substance abuse services, including Medicaid.
- (3) **Recommendations for feasible alternative financing mechanisms.**

The Department shall report its findings and recommendations to the Legislative Oversight Committee on Mental Health, Developmental Disabilities, and Substance Abuse Services, the House of Representatives Appropriations Subcommittee on Health and Human Services, the Senate Appropriations Committee on Health and Human Services, and the Fiscal Research Division no later than **July 1, 2005.**

At the request of the Division, the cochairs extended the due date for this report to **March 1, 2006.**

**SESSION LAW 2005-276  
SENATE BILL 622**

AN ACT TO MAKE BASE BUDGET APPROPRIATIONS FOR CURRENT  
OPERATIONS OF STATE DEPARTMENTS, INSTITUTIONS, AND  
AGENCIES, AND FOR OTHER PURPOSES.

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**LONG-TERM PLAN FOR MEETING MENTAL HEALTH,  
DEVELOPMENTAL DISABILITIES, AND SUBSTANCE ABUSE  
SERVICES NEEDS**

**SECTION 10.24.(a)** The Secretary of the **Department of Health and Human Services** shall, in consultation with interested advocacy groups and affected State and local agencies, develop a **long-range plan for addressing the mental health, developmental disabilities, and substance abuse services needs of the State.** The plan shall be consistent with the plan developed pursuant to G.S. 122C-102 and shall address the following:

- (1) **The services needed at the community level within each LME** in order to ensure an adequate level of services to the average

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- number of persons needing the services based on population projections.
- (2) The **full continuum of services** needed for each disability group within an LME, including:
    - a. **Which services could be regional or multi-LME based;**
    - b. **What percent of the population each LME would expect to use State-level facilities; and**
    - c. **An inventory of existing services within each LME** for each disability group, and the gaps that exist;
  - (3) **Projected growth** in services for each disability group within each LME or region that can reasonably be managed over the ensuing five-year period; and
  - (4) **Projected start-up costs and the total funding needed in each year from the Trust Fund** for Mental Health, Developmental Disabilities, and Substance Abuse Services and Bridge Funding Needs to implement the long-range plan.

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**SECTION 10.24.(c)** Not later than **March 1, 2006**, the Department of Health and Human Services shall report on the implementation of this section to the Senate Appropriations Committee on Health and Human Services, the House of Representatives Appropriations Subcommittee on Health and Human Services, and the Fiscal Research Division.